

LSB 2021-22 Performance report Q2

Programme: Discharge of statutory functions

Regulatory performance: The annual assessment process began in Q2, with requests for information issued on 30 September 2021 and responses due by 29 October 2021.

Well-led reviews: Our two reviews under the 'Well-led' standard were published in Q2. The review of the Bar Standards Board was published on 1 July 2021 and the review of the Faculty Office was published on 30 September 2021.

Statutory decisions: Q2 has been a busy period for statutory decisions. We have reprioritised resources elsewhere in the organisation to support this work. See page 7 for more information on statutory decisions.

Policy and research projects

Diversity and inclusion: Following the publication in Q1 of the independent research report, we extended the time spent on scoping the next phase of this work. The next phase was agreed in Q2 and we are working with our stakeholders, including on a joint regulators statement on diversity, inclusion and disciplinary sanctions.

Consumer empowerment: On 22 July 2021, we published our response to submissions received on our quality indicators discussion paper. On 15 September 2021, we published a consultation on a draft policy statement. The consultation closes on 8 December 2021.

Technology and innovation: We are about to commence our social acceptability research with the public panel. We decided to shift the publication of the guidance/best practice for regulatory sandboxes from Q2 to Q4 to align with the timing of sector-wide initiatives. Specifically, this would mean publishing after the LawtechUK Sandbox and with the Regulatory Response Unit running again, providing us with more evidence to develop the guidance/best practice.

Ongoing competence: On 9 July 2021, we published research on the importance of the public places on lawyers having the right knowledge, up to date skills and attributes to provide good quality legal services. We also undertook a period of stakeholder engagement in Q2 and held a discussion event on 13 October 2021. A consultation on policy options is planned for Q3.

Regulatory performance framework review: The scoping of this work was completed in early Q2 after being slightly delayed. It is now back on track.

Review of process for alterations to regulatory arrangements: The consultation on new rules and guidance was published on 15 June 2021 and closed on 30 July 2021. Responses to the consultation were analysed in Q2. Publication of the final rules and guidance has been delayed slightly as the resource for this project was reprioritised to our statutory decisions programme, which is experiencing a busy period. We still expect to publish new rules and guidance in Q3.

Scope of regulation: Evidence gathering was delayed in Q2 as we encountered difficulties recruiting a fixed-term researcher to support this work. The researcher is now in post to progress this.

Legal expenses insurance: On 14 July 2021, we published research on consumers' perceived need for legal expenses insurance and what might encourage or discourage them from taking out legal expenses insurance policies. We will be publishing a mystery shopping report and key asks document in Q3.

Legal support for small businesses: There have been some delays in receiving the final data set from the researchers. We are still aiming to publish the research in Q3.

People in vulnerable circumstances: We scoped this work in Q2 and will soon be commissioning public panel research on consumer vulnerability.

Policy framework assessment: We undertook a review of our existing policy framework in Q2. The findings from this will inform our business planning work for next year.

Professional indemnity insurance scoping: Late in Q2 we commenced scoping a professional indemnity insurance project. In Q3, we plan to gather claims data and meet with stakeholders.

Annual conference: In October 2021 we commenced planning for an annual conference to be held next year. The purpose of the conference is to advance the strategic aims set out in the sector-wide strategy we published last year, focusing on collaboration across those involved in legal services.

Statutory decisions - background

Alterations to regulatory arrangements

Under the Legal Services Act 2007 ('the Act'), alterations to approved regulators' regulatory arrangements ('rule changes') must be approved by the LSB before coming into effect. This is one of the LSB's principal and most frequently exercised statutory functions.

The Act prescribes an initial 28 day period for making a decision that can be extended by the LSB by up to 90 days via an extension notice or by a further year if the LSB is considering refusing an application and issues a warning notice. The LSB can only refuse an application if one of the statutory refusal criteria is met.

Under the Act, the LSB also has the power to exempt certain general or specific changes from the approval process by issuing an exemption direction.

The LSB aims to publish all applications and decisions within two working days.

In our consideration process, we take a risk-based approach whereby applications are assessed as lower risk or higher risk. For lower risk applications, our target is a decision in 28 days or less. For higher risk applications, our target is a decision in greater than 28 days and 90 days or less.

Practising fees

Under the Act the LSB assesses and approves practising fees.

Statutory decisions - analysis

In Q2, we received seven applications to make alterations to regulatory arrangements and made six decisions. We also issued three exemption directions. Thus far in 2021/22, our median and mean decision time is low, with most of our decisions taking 28 days or less.

In Q2, we made one decision on a higher risk application in 28 days or less (our target is between 28 and 90 days for higher risk applications). This related to CILEx Regulation's (CRL) application to amend its compensation fund arrangements. CRL's insurer had refused to renew the policy underwriting CRL's compensation fund arrangements. Therefore, we needed to expedite our assessment of CRL's application before its policy expired.

In Q2, we made one decision on a lower risk application in more than 28 days (our target is 28 days or less). This related to the Intellectual Property Regulation Board's (IPReg) application to introduce a sunset clause for historic qualifications. We issued an extension notice to provide sufficient time for IPReg to consider a request to revise proposed regulations for clarity.

In Q2, we published all decisions within our two working day target. One application was published in three days instead of our two working day target. This related to the Institute for Chartered Accountants in England and Wales' (ICAEW) application to amend its minimum approved wording. After submitting its application, ICAEW advised that it contained commercially sensitive information that was not for publication. Delays in ICAEW confirming which information needed to be redacted meant that we had to delay publication of the application.

In Q2 we received five practising fee applications and made one decision.

Contact Us – background

Contact Us is our inbox for receiving correspondence from the public. It is monitored by the administration team.

The public typically contacts us to complain about an approved regulator, lawyer, the Legal Ombudsman, or with general enquiries about legal services and legal aid.

Our target response time is 10 working days or less.

Contact Us – analysis

We received 124 Contact Us enquiries in Q2, lower than in the previous two quarters. 56% of these enquiries were repeat enquiries (63% in Q1), 46% were a complaint about an Approved Regulator (55% in Q1) and 25% were enquiries that were copied to us or did not require a reply (34% in Q1).

In Q2, our median and mean response time was lower than any quarter in the previous two years.

In Q2, 87% of our responses were within our target time. This is better than the overall percentage for last year, which was 79%.

Freedom of Information – background

The Freedom of Information Act 2000 ('the Act') gives people a right of access to the information held by, or on behalf of, public authorities ('authorities'). This applies regardless of the age, format, origin or classification of the information, and covers for example: reports, letters, emails, notebooks and photographs.

The Act requires authorities: (1) to publish information proactively in accordance with their publication schemes; and (2) to provide within not more than 20 working days other information requested by any person ('information requests').

Freedom of Information – analysis

We received 11 freedom of information requests and responded to nine of them in Q2. This is higher than any quarter in the last 12 months.

We met our target response time for all responses in Q2. All 9 responses were made in 20 working days or less.

Thus far in 2021/22, our median and mean response time is lower than in recent years.

Communications and engagement

Website users in Q2 were comparable to recent quarters. Thus far in 2021/22, median and mean users is higher than the previous two years.

The Chair's July blog had the highest number of views and the highest average time viewing the blog than any other edition in the last 12 months.

The market intelligence dashboards continue to receive a steady amount of page views. Our social media following continues to grow at a steady rate. Senior engagement meetings were lower in Q2 compared to the previous quarter owing to the summer holiday period.

We continued distributing a newsletter to stakeholders via our CRM system. Our Summer 2021 newsletter saw high levels of engagement with the highest number of opens. Our current open rates and click-through rates are high relative to comparative industry benchmarks, which are around 22% open and less than 3% for click-through.

There were 163 instances of media coverage relating to the LSB in Q2. The very positive coverage (79 instances) was primarily about our review of the Bar Standards Board, legal expenses insurance research, ongoing competence research and our upcoming new rules and guidance for alterations to regulatory arrangements. The positive coverage (24 instances) was primarily about our response to the latest data on judicial diversity and on our diversity work more broadly. The neutral coverage (58 instances) included coverage on our oversight role in relation to LeO's performance, coverage on compensation funds and CLC's PCF application. The negative coverage (2 instances) was on our Board diversity event and on our consultation on empowering consumers.

Finance – prompt payment – background

The LSB undertakes one payment run per week.

Prompt payment data is reported in line with Government guidance.

Finance – prompt payment – analysis

The number of invoices paid and prompt payment data in Q2 was broadly consistent with Q1.

In Q2, we paid 71 invoices, of which 64 (90%) were paid within 5 working days. We paid 99% of invoices within 10 working days.

On average we paid our invoices within 2.4 days in Q2. This is the same as in the previous two quarters.

Human Resources

Most colleagues remain confident in SLT's ability to make the right decisions. In the September survey, 54% of colleagues were extremely confident. This is the highest percentage for this response category since the survey began.

Most colleagues continue to prefer to work remotely for most of the week. In the September survey, the most common preference was to work from home by default. This was the first time it has been the most common preference. It follows a gradual decrease in the preference to work in the office two days per week.

Spending on training increased in Q2, driven by the increase in organisational training. The remaining training budget is forecasted to be spent in 2021/22.

Sick days in Q2 were higher than any quarter in the previous year but remain lower than 2019-20 levels. One colleague resigned in Q2. The time taken from the colleague leaving the LSB to having a new replacement was two weeks.